

Deloitte Consulting LLP
1700 Market St
Philadelphia, PA 19103-3984
Telephone: 215.246.2466
Angel Quinones Cardona, Principal

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

THE COMMONWEALTH OF PUERTO
RICO, *et al.*,

Debtors.¹

PROMESA Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**FINAL FEE APPLICATION OF DELOITTE CONSULTING LLP FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS CONSULTANT
FROM AUGUST 1, 2018 THROUGH JANUARY 31, 2019**

Name of Applicant:	Deloitte Consulting LLP
Retained to Provide Professional Services as:	Consultant
Date of Retention:	December 4, 2017
Period for which Compensation and Reimbursement is Sought:	August 1, 2018 through January 31, 2019
Professional Fees:	\$ 2,291,428.68
Amount of Expense Reimbursement Sought	\$ <u>263,327.78</u>
Total Amount of Fees and Expense Reimbursement Sought as Actual, Reasonable and Necessary	\$ <u>2,554,756.46</u>

This is a(n) _____ Monthly _____ Interim X Final Fee Application/Statement

PRIOR INTERIM FEE APPLICATIONS FILED

Date Filed	Period Covered	Requested Fees	Requested Expenses	Fee Reductions	Expense Reductions	Approved Fees	Approved Expenses
11/20/2019 Dkt. 9274	Aug. 1, 2018 - Sept. 30, 2018	\$ 653,692.09	\$ -	\$ (17,929.27)		\$ -	\$ -
11/20/2019 Dkt. 9275	Oct. 1, 2018 - Jan. 31, 2019	\$ 1,757,608.44	\$ 304,050.65	\$ (101,942.58)	\$ (40,722.87)	\$ -	\$ -
TOTAL		\$ 2,411,300.53	\$ 304,050.65	\$ (119,871.85)	\$ (40,722.87)	\$ -	\$ -

PERSONNEL

For the Period from August 1, 2018 through January 31, 2019

Professional	Level	Average of Rate	Hours	Billable Amount
Chambers, Kevin	Principal	\$292.03	340.6	\$99,465.42
Dalwadi, Hershey	Senior Manager	\$270.46	1.0	\$270.46
Deng, Mike	Manager	\$270.46	0.5	\$135.23
Floberg, Ryan	Manager	\$270.46	0.5	\$135.23
Fitzpatrick, Brian	Specialist Leader	\$270.46	10.5	\$2,839.83
Goel, Sneha	Senior Consultant	\$270.46	0.5	\$135.23
Kline, Kristina L	Senior Manager	\$270.46	2.0	\$540.92
Lauricia, James E	Specialist Leader	\$270.46	6.5	\$1,757.99
McDermott, Erin	Senior Manager	\$270.46	36.0	\$9,736.56
Mehta, Harsh Ratan	Manager	\$270.46	3.0	\$811.38
Merinova, Anastasia B	Senior Consultant	\$270.46	0.5	\$135.23
Moses, Robert L	Specialist Leader	\$270.46	0.5	\$135.23
Myers, Jason L	Solution Specialist	\$270.46	0.5	\$135.23
Shaikh, Javed F	Manager	\$270.46	1.1	\$297.51
Such, Enrique	Senior Manager	\$270.46	648.2	\$175,312.17
Sutton, Gary	Specialist Leader	\$270.46	685.8	\$185,481.47
Gleason, Luke	Manager	\$223.21	296.7	\$66,226.41
Gonzalez, Juan	Manager	\$223.21	358.4	\$79,998.46
Haugwitz, Malin	Specialist Master	\$223.21	8.0	\$1,785.68
Hayward, David	Manager	\$223.21	868.0	\$193,746.28
Johantgen, Andrew H	Specialist Master	\$223.21	346.8	\$77,409.23
Kozy, Rachel	Specialist Master	\$223.21	157.9	\$35,244.86
Martinez-Cebbalos, Daniel	Manager	\$223.21	417.9	\$93,279.46
Mitra, Sayak	Senior Consultant	\$223.21	1024.5	\$228,678.65
Peral, Nathalie	Senior Consultant	\$223.21	547.2	\$122,140.51
Sherrill, Franklin	Senior Consultant	\$223.21	112.3	\$25,066.48
Soto, Alexandra M	Senior Consultant	\$223.21	133.2	\$29,731.57
Bogle, Cameron	Consultant	\$206.55	99.9	\$20,634.35
Navarro, Pedro	Senior Consultant	\$206.55	178.4	\$36,848.52
Aguilar, Reinaldo	Consultant	\$179.70	655.0	\$117,703.50
Almodovar, Jean P	Consultant	\$179.70	729.9	\$131,163.03
Dajani, Joshua D	Consultant	\$179.70	269.2	\$48,375.24
Grambow, Kristofer R	Consultant	\$179.70	44.0	\$7,906.80
Levidy, Michael F	Consultant	\$179.70	267.1	\$47,997.87
Morales, Diana	Consultor Strategy & Operations Direct	\$179.70	221.6	\$39,821.52
Pandey, Aishwarya	Consultant	\$179.70	950.1	\$170,732.97

Pelura, Claire	Consultant	\$179.70	1.0	\$179.70
Rodriguez, Pedro	Consultant	\$179.70	64.5	\$11,590.65
Ruiz, Tatiana M	Consultant	\$179.70	114.6	\$20,593.62
Smith, Eva Maria N	Consultant	\$179.70	100.5	\$18,059.85
Willner, Jane S	Consultant	\$179.70	804.8	\$144,622.56
Fonseca, German	Analyst Strategy & Operations	\$150.24	188.0	\$28,245.12
Lazo-Cedre, Tiffany A	Business Analyst	\$150.24	231.5	\$34,780.56
Perez Valdez, Gerardo	Business Analyst	\$150.24	675.0	\$101,412.00
Totals		11,603.70		\$2,411,300.53
Less: Fee Reductions				\$ (119,871.85)
				\$2,291,428.68
Blended Hourly Rate				\$197.47

COMPENSATION BY CATEGORY

For the Period from August 1, 2018 through January 31, 2019

Category	Hours	Billable Amount
Procurement Reform	11,603.7	\$ 2,411,300.53
Totals	11,603.7	<u>\$ 2,411,300.53</u>
		(\$119,871.85)
Less: Fee Reductions		<u>\$ 2,291,428.68</u>
TOTAL AMOUNT REQUESTED:		
	<i>Blended Hourly Rate</i>	\$ 197.47

EXPENSES BY CATEGORY

For the Period from August 1, 2018 through January 31, 2019

Category	Total
Airfare and Airline Fees	\$ 97,829.41
Auto Parking	\$ 2,161.68
Auto Rental	\$ 224.10
Hotel and Hotel Tax	\$ 141,055.16
Meals	\$ 37,489.30
Internet Services in Flight	\$ 23.00
Taxi	\$ 25,268.00
<i>Less: Expense Reductions</i>	\$ (40,722.87)
Total	\$ 263,327.78

Deloitte Consulting LLP
1700 Market St
Philadelphia, PA 19103-3984
Telephone: 215.246.2466
Angel Quinones Cardona, Principal

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

THE COMMONWEALTH OF PUERTO
RICO, *et al.*,

Debtors.¹

PROMESA Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**FINAL FEE APPLICATION OF DELOITTE CONSULTING LLP FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS CONSULTANT
FROM AUGUST 1, 2018 THROUGH JANUARY 31, 2019**

Pursuant to sections 316 and 317 of Title III of the Puerto Rico Oversight, Management and Economic Stability Act (“PROMESA”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (collectively the “Bankruptcy Rules”), made applicable herein pursuant to section 310 of PROMESA, Rule 2016-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Puerto Rico, adopted by the Court on May 16, 2013 (the “Local Bankruptcy Rules”) and this Court’s *Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, dated June 6, 2018

¹ The Debtors in these Title III cases, along with each Debtor’s respective Title III case number are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) ; (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations.)

[Docket No. 3269] (the “Second Amended Interim Compensation Order”), Deloitte Consulting LLP (“Deloitte Consulting”), as consultant to the debtors associated with the above-captioned cases (collectively, the “Debtors,” “Government of Puerto Rico,” or “GPR”), hereby submits its final fee application (the “Final Fee Application”) for the compensation of professional services performed by Deloitte Consulting for the period commencing August 1, 2018 through and including January 31, 2019 (the “Final Fee Application Period”).

REQUESTED FEES AND REIMBURSEMENT OF EXPENSES

1. By this Final Fee Application, Deloitte Consulting seeks compensation in the amount of \$2,291,428.68 and reimbursement of actual and necessary expenses incurred in the amount of \$263,327.78 for the Final Fee Application Period.²

2. All services for which Deloitte Consulting requests compensation were performed for the Debtors. The time detail for Final Fee Application Period was attached to Deloitte Consulting’s previously filed interim fee applications [Docket Nos. 9274 and 9275] (the “Interim Fee Applications”) which, for the sake of brevity, is incorporated herein by reference. The previously filed interim fee applications contain time entries describing the time spent by each professional and paraprofessional during the Final Fee Application Period. To the best of Deloitte Consulting’s knowledge, this Final Fee Application substantially complies with the applicable Bankruptcy Rules, the Local Bankruptcy Rules, and the Second Amended Interim Compensation Order. Deloitte Consulting’s time reports were entered and organized by the professional or paraprofessional performing the described services on a daily basis.

3. The terms of the Second Amended Interim Compensation Order incorporates the

² The amounts requested in this Final Fee Application reflect certain reductions agreed to by Deloitte Consulting following review of the interim fee applications by the fee examiner appointed in these cases. As noted in the charts at the outset of this Final Fee Application, these reductions were both to the fees and expenses requested in the connection with the first and second interim fee applications of Deloitte Consulting, including approximately \$57,000 that should not have been included in the second interim fee application.

United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. 330 by Attorneys in Larger Chapter 11 Cases (the “Attorney Guidelines”). The terms of the Attorney Guidelines, as the title notes, are designed to “apply only when United States Trustees review applications for compensation filed by attorneys employed under sections 327 or 1103” of the Bankruptcy Code,” rather than other professionals engaged by a debtor or official committee. Attorney Guidelines, ¶ A.2. Among other requirements, the Attorney Guidelines require inclusion of information regarding the law firms’ customary and comparable compensation by means of providing an average rate charged. Unlike many law firms, Deloitte Consulting’s fee structures vary widely depending upon the client and the nature of the services to be performed along with the negotiations with a particular client. (These fee structures may be fixed fee, contingent or hourly rate, for example.) Accordingly, Deloitte Consulting does not have typical hourly rates that it charges clients for its services against which the Court can compare the hourly rates being charged to a debtor. Moreover, the applicable rate to use as a point of comparison would be difficult to calculate given the various fee structures and the various services performed. Therefore, as previously requested in the Interim Fee Applications, Deloitte Consulting respectfully requests that the requirement in the Attorney Guidelines regarding information about customary and comparable compensation be waived for it.

4. Summaries of actual and necessary expenses incurred by Deloitte Consulting for the Final Fee Period were attached to the Interim Fee Applications which, for the sake of brevity, are incorporate herein by reference. Deloitte Consulting does not charge for photocopying, outgoing facsimile transmissions, long distance telephone calls or faxes, or the receipt of faxes. Deloitte Consulting customarily charges for conference call expenses. These expenses are detailed

in substantial compliance with the applicable Bankruptcy Rules, the Local Bankruptcy Rules, and the Second Amended Interim Compensation Order.

5. Deloitte Consulting's budget and staffing plan for the Final Fee Application Period was also attached to the Interim Fee Applications and are incorporated herein by reference. As the engagement progressed, Deloitte Consulting presented to the GPR, typically on a bi-weekly basis, a budget and staffing plan. This plan was updated during this process to reflect new information including the actual time taken to perform certain tasks and revised estimates of the time to complete various aspects of the services or estimates of new tasks requested by the GPR. The previously filed budget and staffing plans represented the final numbers presented to the GPR as a part of this process. The actual fees incurred during the Final Fee Application Period were approximately \$455,189.40 more than anticipated. This variance was largely attributable to the project delivery acceleration as compared to the initial plan. The majority of the efforts that were planned to occur in February 2019, were able to be executed between October 2018 and January 2019. Finally, a smaller portion of the variance is attributable to the projected staff mix in the plan versus staff mix actually used in delivery.

6. During the Final Fee Period, Deloitte Financial Advisory Services LLP ("Deloitte FAS"), an affiliate of Deloitte Consulting, and certain other affiliates were separately engaged by the GPR to provide services related to assisting the GPR with activities that are not related to restructuring under Title III (the "Non-Title III Services"). The Non-Title III Services include the following: assisting the GPR with its recovery and resilience plan for certain aspects of its information technology infrastructure, assisting the GPR's Department of Treasury ("Hacienda") with the upgrade of its enterprise resource planning software, assisting the GPR with strategic and compliance services related to recovery from the storms of the summer of 2017 and project

management assistance with respect to certain of the foregoing. These services were billed and paid in accordance with Hacienda guidelines and procedures or similar guidelines or procedures. Since the Non-Title III Services are not related to the Title III cases, the time and expense detail associated with this work is not included in any fee applications filed with this Court and the fees and expenses are being paid by Hacienda in the ordinary course as discussed above.

7. Additionally, Deloitte FAS performed certain services related to these cases for the Debtors which have been the subject of separate interim fee applications and will be the subject of a separate final fee application to be filed with the Court.

8. Finally, although Deloitte Consulting does not believe the services described herein are related to the Title III cases, Deloitte Consulting agreed to accommodate AAFAF's request that it submit fee applications in connection with the contract governing these services. Deloitte Consulting continued to provide services related to those described herein after the end of the Final Fee Application Period; however, the relevant contract vehicle for such services did not require the submission of fee applications. Accordingly, Deloitte Consulting did not file fee applications with respect to such services.

SUMMARY OF SERVICES PERFORMED

9. This Final Fee Application covers the fees incurred during the Final Fee Application Period. Deloitte Consulting believes it appropriate to be compensated for the time spent in connection with these matters, and sets forth a narrative description of the services rendered for the Debtors and the time expended, organized by project task categories, as follows:

A. Procurement Reform

10. During the Final Fee Application Period, Deloitte Consulting assisted the General Services Administration ("ASG") with the ongoing development of workplans and support for the

associated implementation of procurement reform for the GPR. Among other things, this support included assisting with:

- Planning activities associated with ASG's implementation of a centralized procurement operating model designed to leverage the purchasing power of the entire Puerto Rican government;
- Development of policies to drive greater compliance with government-wide contracts, policies and procedures;
- Improvements to the ASG procurement processes across the entire procurement lifecycle designed to make the procurement function more efficient and effective; and,
- Planning for the use of current strategic sourcing and category management practices and tools designed to realize and sustain savings;

Period	Time Expended	Fees
Final Fee Application Period	11,603.7 Hours	\$ 2,411,300.53 ³

CERTIFICATE OF COMPLIANCE AND REQUEST FOR WAIVER

11. Attached to the Interim Fee Applications were declarations of Kevin Chambers, a former principal of Deloitte Consulting, in support of those fee applications. These declarations are hereby incorporated herein by reference. To the extent that the Final Fee Application does not comply in all respects with the requirements of the rules referenced herein or that may otherwise be applicable, Deloitte Consulting believes that such deviations are not material and respectfully requests that any such requirement be waived.

³ The amount noted here is the gross fees originally requested and does not reflect the agreed reductions referenced in footnote 2. The actual amount of fees requested herein are net of these reductions.

WHEREFORE, Deloitte Consulting respectfully requests (i) allowance of compensation, on a final basis, in the amount of \$2,291,428.68, which represents 100% of the total compensation for professional services rendered during the Final Fee Application Period, (ii) reimbursement of actual and necessary expenses, on a final basis, in the amount of \$263,327.78 for a total allowance of \$2,554,756.46, (iii) the Debtors be directed to pay the foregoing amounts to the extent not previously paid and (iv) such other and further relief as the Court determines to be just and proper.

Dated: November 18, 2022
Philadelphia, PA

Respectfully submitted,



Deloitte Consulting LLP
Angel Quinones Cardona, Principal
1700 Market St
Philadelphia, PA 19103-3984
Telephone: 215.246.2466

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.⁴

PROMESA Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**DECLARATION OF ANGEL QUINONES CARDONA IN SUPPORT OF THE FINAL
FEE APPLICATION OF DELOITTE CONSULTING LLP FOR ALLOWANCE OF
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS CONSULTANT TO THE COMMONWEALTH OF
PUERTO RICO FROM MAY 3, 2017 THROUGH NOVEMBER 30, 2019**

Angel Quinones Cardona deposes and says:

1. I am a Partner in the applicant firm, Deloitte Consultant LLP ("Deloitte Consultant").
2. I was aware of or involved in the provision of the services, as an engagement partner, the professional services rendered by Deloitte Consultant, as consultant to the Government of Puerto Rico, and am familiar with the work for the Debtors referenced in the attached fee application.
3. I have reviewed the foregoing *Final Fee Application of Deloitte Consultant LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred as Consultant* (the "Final Fee Application"), and the facts set forth therein are true and correct to the best of my knowledge, information, and belief. To my knowledge and subject to the statements made in the First and Second Interim Fee Applications, the Final Fee Application substantially complies with applicable provisions of PROMESA,⁵ the Bankruptcy Rules, the Local Rules, and this Court's *Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, dated June 6, 2018 [Docket No. 3269].

⁴ The Debtors in these Title III cases, along with each Debtor's respective Title III case number, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17 BK 3567-LTS); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3566-LTS). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations.)

⁵ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Final Fee Application.

Dated: November 18, 2022

A handwritten signature in black ink, appearing to read "A. J. Quinones", written over a horizontal line.

Angel Quinones Cardona